

HEALTH QUARTERLY STATEMENT

AS OF June 30, 2002

OF THE CONDITION AND AFFAIRS OF THE

Health Plan of Michigan, Inc.

NAIC Group Code

(Current Period)

,

(Prior Period)

NAIC Company Code

52563

Employer's ID Number

38-3253977

Organized under the Laws of

Michigan

,

State of Domicile or Port of Entry

Michigan

Country of Domicile

USA

Licensed as business type:

Life, Accident & Health[ ]

Property/Casualty[ ]

Hospital, Medical & Dental Service or Indemnity[ ]

Dental Service Corporation[ ]

Vision Service Corporation[ ]

Health Maintenance Organization[X]

Other[ ]

Is HMO Federally Qualified? Yes[ ] No[X]

Date Incorporated or Organized

12/31/1995

Date Commenced Business

12/31/1995

Statutory Home Office

17515 W. Nine Mile Road, Suite 650

,

Southfield, MI 48075

(Street and Number)

(City, or Town, State and Zip Code)

Main Administrative Office

17515 W. Nine Mile Road, Suite 650

(Street and Number)

Southfield, MI 48075

(City or Town, State and Zip Code)

(248)557-3700 x

(Area Code) (Telephone Number)

Mail Address

17515 W.Nine Mile Road, Suite 650

,

Southfield, MI 48075

(Street and Number or P.O. Box)

(City, or Town, State and Zip Code)

Primary Location of Books and Records

Same

(Street and Number)

(248)557-3700 x

(Area Code) (Telephone Number)

Internet Website Address

www.hpmich.com

(City, or Town, State and Zip Code)

Statutory Statement Contact

Janice Torosian

(Name)

(248)557-3700 x123

(Area Code)(Telephone Number)(Extension)

jtorosian@hpmich.com

(E-Mail Address)

(248)569-9588 x

(Fax Number)

Policyowner Relations Contact

(Street and Number)

(City, or Town, State and Zip Code)

(Area Code) (Telephone Number)(Extension)

OFFICERS

President/CEO David B. Cotton M.D.

Secretary/CIO Thomas Lauzon

Treasurer/CFO Janice Torosian

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

Timothy Beck

Thomas Lauzon

Melanie Shearman

George Ellis

Laura Leege

State of Michigan

County of Oakland ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manuals except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature)

David B. Cotton, M.D.

(Printed Name)

President

(Signature)

Thomas Lauzon

(Printed Name)

Secretary

(Signature)

Janice Torosian

(Printed Name)

Treasurer

Subscribed and sworn to before me this

day of

, 2002

a. Is this an original filing?

b. If no,

1. State the amendment number

2. Date filed

3. Number of pages attached

Yes[X] No[ ]

(Notary Public Signature)

ASSETS

		Current Period			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets	Net Admitted Assets
1.	Bonds .....				
2.	Stocks: .....				
2.1	Preferred stocks .....				
2.2	Common stocks .....				
3.	Mortgage loans on real estate: .....				
3.1	First liens .....				
3.2	Other than first liens .....				
4.	Real estate (Schedule A): .....				
4.1	Properties occupied by the company (less \$..... encumbrances) .....	84,259		(a)..... 84,259	
4.2	Properties held for the production of income (less \$..... encumbrances) .....				
4.3	Properties held for sale (less \$..... encumbrances) .....				
5.	Cash (\$.....14,267,097) and short-term investments (\$.....) .....	14,267,097		14,267,097	11,746,477
6.	Other long-term invested assets .....				
7.	Receivable for securities .....				
8.	Aggregate write-ins for invested assets .....				
9.	Subtotal cash and invested assets (Lines 1 to 8) .....	14,351,356		14,351,356	11,746,477
10.	Accident and health premiums due and unpaid .....				
11.	Health care receivables .....	539,265		539,265	842,964
12.	Amounts recoverable from reinsurers .....				32,517
13.	Net adjustment in assets and liabilities due to foreign exchange rates .....				
14.	Investment income due and accrued .....				11,548
15.	Amounts due from parent, subsidiaries and affiliates .....				
16.	Amounts receivable relating to uninsured accident and health plans .....				
17.	Furniture and equipment .....	58,643		58,643	18,000
18.	Amounts due from agents .....				
19.	Federal and foreign income tax recoverable and interest thereon (including \$.....62,000 net deferred tax asset) .....	62,000	62,000		
20.	Electronic data processing equipment and software .....	459,513	253,950	205,563	144,894
21.	Other nonadmitted assets .....				
22.	Aggregate write-ins for other than invested assets .....	1,213,800	1,198,830	14,970	14,970
23.	Total assets (Lines 9 plus 10 through 22) .....	16,684,577	1,514,780	15,169,797	12,811,370
DETAILS OF WRITE-INS					
0801	.....				
0802	.....				
0803	.....				
0898.	Summary of remaining write-ins for Line 8 from overflow page .....				
0899.	TOTALS (Lines 0801 through 0803 plus 0898) (Line 8 above) .....				
2201.	Miscellaneous A/R & Deposits .....	14,970		14,970	14,970
2202.	Acquired Membership Value .....	1,198,830	1,198,830		
2203	.....				
2298.	Summary of remaining write-ins for Line 22 from overflow page .....				
2299.	TOTALS (Lines 2201 through 2203 plus 2298) (Line 22 above) .....	1,213,800	1,198,830	14,970	14,970

(a) \$..... health care delivery assets included in Line 4.1, Column 3.

**LIABILITIES, CAPITAL AND SURPLUS**

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$..... reinsurance ceded) .....	8,015,650		8,015,650	6,946,833
2.	Accrued medical incentive pool and bonus payments .....	169,635		169,635	100,367
3.	Unpaid claims adjustment expenses .....	146,842		146,842	117,200
4.	Aggregate policy reserves .....				
5.	Aggregate claim reserves .....				
6.	Premiums received in advance .....				
7.	General expenses due or accrued .....	353,477		353,477	398,548
8.	Federal and foreign income tax payable and interest thereon (including \$..... on realized capital gains (losses) (including \$..... net deferred tax liability) .....	93,251		93,251	363,537
9.	Amounts withheld or retained for account of others .....				
10.	Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current) .....				
11.	Amounts due to parent, subsidiaries and affiliates .....				
12.	Payable for securities .....				
13.	Funds held under reinsurance treaties with (\$..... authorized reinsurers and \$..... unauthorized reinsurers) .....				
14.	Reinsurance in unauthorized companies .....				
15.	Net adjustments in assets and liabilities due to foreign exchange rates .....				
16.	Liability for amounts held under uninsured accident and health plans .....				
17.	Aggregate write-ins for other liabilities (including \$..... current) .....				237,633
18.	Total liabilities (Lines 1 to 17) .....	8,778,855		8,778,855	8,164,118
19.	Common capital stock .....	X X X	X X X	49,899	49,899
20.	Preferred capital stock .....	X X X	X X X		
21.	Gross paid in and contributed surplus .....	X X X	X X X	280,602	280,602
22.	Surplus notes .....	X X X	X X X		
23.	Aggregate write-ins for other surplus funds .....	X X X	X X X		
24.	Unassigned funds (surplus) .....	X X X	X X X	6,060,441	4,316,751
25.	Less treasury stock, at cost:	X X X	X X X		
25.1	..... shares common (value included in Line 19 \$.....) .....	X X X	X X X		
25.2	..... shares preferred (value included in Line 20 \$.....) .....	X X X	X X X		
26.	Total capital and surplus (Lines 19 to 24, Less 25) .....	X X X	X X X	6,390,942	4,647,252
27.	Total liabilities, capital and surplus (Lines 18 and 26) .....	X X X	X X X	15,169,797	12,811,370
DETAILS OF WRITE-INS					
1701.	Hospital Shared Risk Payable .....				165,028
1702.	Note Payable .....				72,605
1703	.....				
1798.	Summary of remaining write-ins for Line 17 from overflow page .....				
1799.	TOTALS (Lines 1701 through 1703 plus 1798) (Line 17 above) .....				237,633
2301	.....	X X X	X X X		
2302	.....	X X X	X X X		
2303	.....	X X X	X X X		
2398.	Summary of remaining write-ins for Line 23 from overflow page .....	X X X	X X X		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year to Date		Prior Year
		1	2	3
		Uncovered	Total	Total
1.	Member Months .....	X X X .....	214,682	350,035
2.	Net premium income .....	X X X .....	29,122,085	49,299,869
3.	Change in unearned premium reserves and reserve for rate credits .....	X X X .....		
4.	Fee-for-service (net of \$..... medical expenses) .....	X X X .....		
5.	Risk revenue .....	X X X .....		
6.	Aggregate write-ins for other health care related revenues .....	X X X .....	41,044	560,617
7.	TOTAL REVENUES (Lines 2 to 6) .....	X X X .....	29,163,129	49,860,486
Medical and Hospital:				
8.	Hospital/medical benefits .....		15,900,406	26,674,806
9.	Other professional services .....		280,670	891,965
10.	Outside referrals .....		1,308,897	2,247,055
11.	Emergency room and out-of-area .....		1,077,843	1,779,987
12.	Prescription drugs .....		4,603,335	7,326,952
13.	Aggregate write-ins for other medical and hospital .....		29,305	45,094
14.	Incentive pool and withhold adjustments .....		289,299	382,997
15.	Subtotal (Lines 8 to 14) .....		23,489,755	39,348,856
LESS:				
16.	Net reinsurance recoveries .....		24,524	163,004
17.	Total medical and hospital (Lines 15 minus 16) .....		23,465,231	39,185,852
18.	Claims adjustment expenses .....		282,676	496,722
19.	General administrative expenses .....		3,085,292	5,068,055
20.	Increase in reserves for accident and health contracts .....			
21.	Total underwriting deductions (Lines 17 through 20) .....		26,833,199	44,750,629
22.	Net underwriting gain or (loss) (Lines 7 minus 21) .....	X X X .....	2,329,930	5,109,857
23.	Net investment income earned .....		110,896	346,723
24.	Net realized capital gains or (losses) .....			
25.	Net investment gains or (losses) (Lines 23 plus 24) .....		110,896	346,723
26.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....), (amount charged off \$.....)] .....			
27.	Aggregate write-ins for other income or expenses .....		50	36
28.	Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27) .....		2,440,876	5,456,616
29.	Federal and foreign income taxes incurred .....	X X X .....	829,898	1,849,057
30.	Net income (loss) (Lines 28 minus 29) .....	X X X .....	1,610,978	3,607,559
DETAILS OF WRITE-INS				
0601.	Hospital Shared Risk Pools .....	X X X .....	41,044	560,617
0602	.....	X X X .....		
0603	.....	X X X .....		
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	X X X .....		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X .....	41,044	560,617
1301.	Hearing/Speech devices .....		29,305	50,147
1302.	COB/Subrogation .....			(5,053)
1303	.....			
1398.	Summary of remaining write-ins for Line 13 from overflow page .....			
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) .....		29,305	45,094
2701.	Miscellaneous Income - Sale of Furniture and Equipment .....		50	36
2702	.....			
2703	.....			
2798.	Summary of remaining write-ins for Line 27 from overflow page .....			
2799.	TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above) .....		50	36

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year to Date	Prior Year
CAPITAL & SURPLUS ACCOUNT			
31.	Capital and surplus prior reporting year .....	4,647,252	1,121,143
GAINS AND LOSSES TO CAPITAL & SURPLUS			
32.	Net income or (loss) from Line 30 .....	1,610,978	3,607,559
33.	Change in valuation basis of aggregate policy and claim reserves .....		
34.	Net unrealized capital gains and losses .....		
35.	Change in net unrealized foreign exchange capital gain or (loss) .....		
36.	Change in net deferred income tax .....		38,000
37.	Change in nonadmitted assets .....	132,711	(18,951)
38.	Change in unauthorized reinsurance .....		
39.	Change in treasury stock .....		
40.	Change in surplus notes .....		
41.	Cumulative effect of changes in accounting principles .....		
42.	Capital Changes:		
42.1	Paid in .....		(2,101)
42.2	Transferred from surplus (Stock Dividend) .....		
42.3	Transferred to surplus .....		
43.	Surplus adjustments:		
43.1	Paid in .....		(98,398)
43.2	Transferred to capital (Stock Dividend) .....		
43.3	Transferred from capital .....		
44.	Dividends to stockholders .....		
45.	Aggregate write-ins for gains or (losses) in surplus .....		
46.	Net change in capital and surplus (Lines 32 to 45) .....	1,743,689	3,526,109
47.	Capital and surplus end of reporting period (Line 31 plus 46) .....	6,390,941	4,647,252
DETAILS OF WRITE-INS			
4501.	Sale of Common Capital Stock .....		
4502	.....		
4503	.....		
4598.	Summary of remaining write-ins for Line 45 from overflow page .....		
4599.	TOTALS (Lines 4501 through 4503 plus 4598) (Line 45 above) .....		

CASH FLOW

		1 Current Year To Date	2 Prior Year
Cash from Operations			
1.	Premiums and revenues collected net of reinsurance .....	29,122,085	49,299,869
2.	Claims and claims adjustment expenses .....	22,547,662	38,542,917
3.	General administrative expenses paid .....	3,130,363	4,834,202
4.	Other underwriting income (expenses) .....	41,044	585,180
5.	Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....	3,485,104	6,507,930
6.	Net investment income .....	122,444	339,500
7.	Other income (expenses) .....	50	36
8.	Federal and foreign income taxes (paid) recovered .....	(1,100,184)	(1,639,011)
9.	Net cash from operations (Lines 5 to 8) .....	2,507,414	5,208,455
Cash from Investments			
10.	Proceeds from investments sold, matured or repaid:		
10.1	Bonds .....		
10.2	Stocks .....		
10.3	Mortgage loans .....		
10.4	Real estate .....		
10.5	Other invested assets .....		
10.6	Net gains or (losses) on cash and short-term investments .....		
10.7	Miscellaneous proceeds .....		
10.8	TOTAL investment proceeds (Lines 10.1 to 10.7) .....		
11.	Cost of investments acquired (long-term only):		
11.1	Bonds .....		
11.2	Stocks .....		
11.3	Mortgage loans .....		
11.4	Real estate .....	84,259	
11.5	Other invested assets .....		
11.6	Miscellaneous applications .....		
11.7	TOTAL investments acquired (Lines 11.1 to 11.6) .....	84,259	
12.	Net cash from investments (Line 10.8 minus Line 11.7) .....	(84,259)	
Cash from Financing and Miscellaneous Sources			
13.	Cash provided:		
13.1	Surplus notes, capital and surplus paid in .....		(100,499)
13.2	Net transfers from affiliates .....		
13.3	Borrowed funds received .....		
13.4	Other cash provided .....	436,410	869,374
13.5	TOTAL (Lines 13.1 to 13.4) .....	436,410	768,875
14.	Cash applied:		
14.1	Dividends to stockholders paid .....		
14.2	Net transfers to affiliates .....		19,750
14.3	Borrowed funds repaid .....		
14.4	Other applications .....	338,945	
14.5	TOTAL (Lines 14.1 to 14.4) .....	338,945	19,750
15.	Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5) .....	97,465	749,125
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
16.	Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15) .....	2,520,620	5,957,581
17.	Cash and short-term investments:		
17.1	Beginning of period .....	11,746,477	5,788,896
17.2	End of period (Line 16 plus Line 17.1) .....	14,267,097	11,746,477

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year .....	33,434								33,434	
2. First Quarter .....	35,620								35,620	
3. Second Quarter .....	37,515								37,515	
4. Third Quarter .....										
5. Current Year .....										
6. Current Year Member Months .....	214,682								214,682	
Total Member Ambulatory Encounters for Period:										
7. Physician .....	185,136								185,136	
8. Non-Physician .....	139,336								139,336	
9. Total .....	324,472								324,472	
10. Hospital Patient Days Incurred .....	4,682								4,682	
11. Number of Inpatient Admissions .....	1,400								1,400	
12. Premiums Collected .....	29,288,859								29,288,859	
13. Premiums Earned .....	29,122,085								29,122,085	
14. Amount Paid for Provision of Health Care Services .....	22,351,668								22,351,668	
15. Amount Incurred for Provision of Health Care Services .....	23,489,755								23,489,755	

**CLAIMS PAYABLE (Reported and Unreported)**

Aging Analysis of Unpaid Claims						
1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
Individually Listed Claims Payable						
4D Pharmacy .....	547,232					547,232
0199999 Individually Listed Claims Payable .....	547,232					547,232
0299999 Aggregate Accounts Not Individually Listed - Uncovered .....						
0399999 Aggregate Accounts Not Individually Listed - Covered .....	273,181					273,181
0499999 Subtotals .....	820,413					820,413
0599999 Unreported claims and other claim reserves .....						7,195,238
0699999 Total Amounts Withheld .....						
0799999 Total Claims Payable .....						8,015,651
0899999 Accrued Medical Incentive Pool .....						169,635



**UNDERWRITING AND INVESTMENT EXHIBIT**

**ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE**

Line of Business		Claims Paid Year to Date		Liability End of Current Quarter		5  Claims Incurred in Prior Years (Columns 1+3)	6  Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
		1	2	3	4		
		On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year		
1.	Comprehensive (Hospital & Medical) .....	.....	.....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan Premiums ..	.....	.....	.....	.....	.....	.....
6.	Title XVIII - Medicare .....	.....	.....	.....	.....	.....	.....
7.	Title XIX - Medicaid .....	4,289,215	17,842,442	2,657,618	5,358,032	6,946,833	6,946,833
8.	Other .....	.....	.....	.....	.....	.....	.....
9.	Subtotal .....	4,289,215	17,842,442	2,657,618	5,358,032	6,946,833	6,946,833
10.	Medical incentive pools, accruals and disbursements ..	106,036	113,975	.....	169,635	106,036	100,367
11.	TOTALS .....	4,395,251	17,956,417	2,657,618	5,527,667	7,052,869	7,047,200

**Notes to Financial Statement**

**N O N E**

**GENERAL INTERROGATORIES**

**(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)**

**PART 1 - COMMON INTERROGATORIES**  
**GENERAL**

- 1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements?

Yes[ ] No[X]
- 1.2 If yes, explain:
- 2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes[ ] No[X]
- 2.2 If yes, has the report been filed with the domiciliary state?

Yes[ ] No[ ] N/A[X]
- 3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[ ] No[X]
- 3.2 If yes, date of change:

If not previously filed, furnish herewith a certified copy of the instrument as amended.
4. Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes[ ] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[ ] No[X]
- 5.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile
.....	.....	.....

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

If yes, attach an explanation.

Yes[ ] No[ ] N/A[X]
- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2000
- 7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2000
- 7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

07/24/2001
- 7.4 By what department or departments?

State of Michigan - Department of Consumer and Industry Services - Insurance Bureau
- 8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes[ ] No[X]
- 8.2 If yes, give full information

**GENERAL INTERROGATORIES (continued)**

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted.)

**INVESTMENT**

- 9.1

Has there been any changes in the reporting entity's own preferred or common stock?

Yes[ ] No[X]
- 9.2

If yes, explain:
- 10.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes[ ] No[X]
- 10.2

If yes, give full and complete information relating thereto:
11.

Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$
12.

Amount of real estate and mortgages held in short-term investments:

\$
- 13.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes[ ] No[X]
- 13.2

If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds .....		
13.22 Preferred Stock .....		
13.23 Common Stock .....		
13.24 Short-Term Investments .....		
13.25 Mortgages, Loans or Real Estate .....		
13.26 All Other .....		
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26) .....		
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above .....		
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above .....		

- 14.1

Does the reporting entity have any hedging transactions reported in Schedule DB?

Yes[ ] No[X]
- 14.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  
If no, attach a description with this statement.

Yes[ ] No[ ] N/A[X]
15.

Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV, H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[ ]
- 15.1

For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Not Applicable .....	Not Applicable .....

- 15.2

For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....	.....	.....

- 15.3

Have there been any changes, including name changes, in the custodian(s) identified in 15.1 during the current year?

Yes[ ] No[X]
- 15.4

If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....	.....	.....	.....

- 15.5

Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
.....	.....	.....

**SCHEDULE A - VERIFICATION**

		1	2	3	4
		First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	Prior Year Ended December 31
1.	Book/adjusted carrying value, beginning of period .....		24,600		
2.	Increase (decrease) by adjustment .....				
3.	Cost of acquired .....				
4.	Cost of additions to and permanent improvements .....	24,600	59,659		
5.	Total profit (loss) on sales .....				
6.	Increase (decrease) by foreign exchange adjustment .....				
7.	Amount received on sales .....				
8.	Book/adjusted carrying value at end of current period .....	24,600	84,259		
9.	Total valuation allowance .....				
10.	Subtotal (Lines 8 plus 9) .....	24,600	84,259		
11.	Total nonadmitted amounts .....				
12.	Statement value, current period (Page 2, real estate lines, current period) .....	24,600	84,259		

**SCHEDULE B - VERIFICATION**

		1	2	3	4
		First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	Prior Year Ended December 31
1.	Book/recorded investment excluding accrued interest on mortgages owned, beginning of period .....				
2.	Amount loaned during period: .....				
2.1	Actual cost at time of acquisitions .....				
2.2	Additional investment made after acquisitions .....				
3.	Accrual of discount and mortgage interest points and commitment fees .....				
4.	Increase (decrease) by adjustment .....				
5.	Total profit (loss) on sale .....				
6.	Amounts paid on account or in full during the period .....				
7.	Amortization of premium .....				
8.	Increase (decrease) by foreign exchange adjustment .....				
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period .....				
10.	Total valuation allowance .....				
11.	Subtotal (Lines 9 plus 10) .....				
12.	Total nonadmitted amounts .....				
13.	Statement value of mortgages owned at end of current period .....				

NONE

**SCHEDULE BA - VERIFICATION**

Other Invested Assets Included in Schedule BA

		1	2	3	4
Description		First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	Prior Year Ended December 31
1.	Book/adjusted carrying value of long-term invested assets owned, beginning of period .....				
2.	Cost of acquisitions during period:				
2.1	Actual cost at time of acquisitions .....				
2.2	Additional investment made after acquisitions .....				
3.	Accrual of discount .....				
4.	Increase (decrease) by adjustment .....				
5.	Total profit (loss) on sale .....				
6.	Amounts paid on account or in full during the period .....				
7.	Amortization of premium .....				
8.	Increase (decrease) by foreign exchange adjustment .....				
9.	Book/adjusted carrying value of long-term invested assets at end of current period .....				
10.	Total valuation allowance .....				
11.	Subtotal (Lines 9 plus 10) .....				
12.	Total nonadmitted amounts .....				
13.	Statement value of long-term invested assets at end of current period .....				

NONE

**14     Schedule D Part 1B ..... NONE**

**15     Schedule DA Part 1. .... NONE**

**15     Schedule DA Part 2 Verification ..... NONE**

**16     Schedule DB Part F Section 1 ..... NONE**

**17     Schedule DB Part F Section 2 ..... NONE**

**SCHEDULE S - CEDED REINSURANCE**  
**Showing all new reinsurers-Current Year to Date**

1 NAIC Company Code	2 Federal ID Number	3  Name of Reinsurer	4  Location	5 Is Insurer Authorized? (Yes or No)
<b>Accident and health - non-affiliates</b>				
67105 .....	41-0451140 .....	Reliastar Life Ins Co .....	Minneapolis, Minnesota .....	..... Yes[X] No[ ] .....

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

**Allocated by States and Territories**

State, Etc.			1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed (Yes or No)	Direct Business Only Year-to-Date			
					3  Premiums	4  Medicare Title XVIII	5  Medicaid Title XIX	6  Federal Employees Health Benefits Program Premiums
1.	Alabama	AL .....	.. No ..	.. No ..				
2.	Alaska	AK .....	.. No ..	.. No ..				
3.	Arizona	AZ .....	.. No ..	.. No ..				
4.	Arkansas	AR .....	.. No ..	.. No ..				
5.	California	CA .....	.. No ..	.. No ..				
6.	Colorado	CO .....	.. No ..	.. No ..				
7.	Connecticut	CT .....	.. No ..	.. No ..				
8.	Delaware	DE .....	.. No ..	.. No ..				
9.	District of Columbia	DC .....	.. No ..	.. No ..				
10.	Florida	FL .....	.. No ..	.. No ..				
11.	Georgia	GA .....	.. No ..	.. No ..				
12.	Hawaii	HI .....	.. No ..	.. No ..				
13.	Idaho	ID .....	.. No ..	.. No ..				
14.	Illinois	IL .....	.. No ..	.. No ..				
15.	Indiana	IN .....	.. No ..	.. No ..				
16.	Iowa	IA .....	.. No ..	.. No ..				
17.	Kansas	KS .....	.. No ..	.. No ..				
18.	Kentucky	KY .....	.. No ..	.. No ..				
19.	Louisiana	LA .....	.. No ..	.. No ..				
20.	Maine	ME .....	.. No ..	.. No ..				
21.	Maryland	MD .....	.. No ..	.. No ..				
22.	Massachusetts	MA .....	.. No ..	.. No ..				
23.	Michigan	MI .....	.. No ..	.. Yes ..			29,288,859	
24.	Minnesota	MN .....	.. No ..	.. No ..				
25.	Mississippi	MS .....	.. No ..	.. No ..				
26.	Missouri	MO .....	.. No ..	.. No ..				
27.	Montana	MT .....	.. No ..	.. No ..				
28.	Nebraska	NE .....	.. No ..	.. No ..				
29.	Nevada	NV .....	.. No ..	.. No ..				
30.	New Hampshire	NH .....	.. No ..	.. No ..				
31.	New Jersey	NJ .....	.. No ..	.. No ..				
32.	New Mexico	NM .....	.. No ..	.. No ..				
33.	New York	NY .....	.. No ..	.. No ..				
34.	North Carolina	NC .....	.. No ..	.. No ..				
35.	North Dakota	ND .....	.. No ..	.. No ..				
36.	Ohio	OH .....	.. No ..	.. No ..				
37.	Oklahoma	OK .....	.. No ..	.. No ..				
38.	Oregon	OR .....	.. No ..	.. No ..				
39.	Pennsylvania	PA .....	.. No ..	.. No ..				
40.	Rhode Island	RI .....	.. No ..	.. No ..				
41.	South Carolina	SC .....	.. No ..	.. No ..				
42.	South Dakota	SD .....	.. No ..	.. No ..				
43.	Tennessee	TN .....	.. No ..	.. No ..				
44.	Texas	TX .....	.. No ..	.. No ..				
45.	Utah	UT .....	.. No ..	.. No ..				
46.	Vermont	VT .....	.. No ..	.. No ..				
47.	Virginia	VA .....	.. No ..	.. No ..				
48.	Washington	WA .....	.. No ..	.. No ..				
49.	West Virginia	WV .....	.. No ..	.. No ..				
50.	Wisconsin	WI .....	.. No ..	.. No ..				
51.	Wyoming	WY .....	.. No ..	.. No ..				
52.	American Samoa	AS .....	.. No ..	.. No ..				
53.	Guam	GU .....	.. No ..	.. No ..				
54.	Puerto Rico	PR .....	.. No ..	.. No ..				
55.	U.S. Virgin Islands	VI .....	.. No ..	.. No ..				
56.	Canada	CN .....	.. No ..	.. No ..				
57.	Aggregate other alien	OT .....	.. X X X ..	.. X X X ..				
58.	TOTAL (Direct Business)	.....	.. X X X ..	(a)..... 1			29,288,859	
DETAILS OF WRITE-INS								
5701	.....	.....	.. X X X ..	.. X X X ..				
5702	.....	.....	.. X X X ..	.. X X X ..				
5703	.....	.....	.. X X X ..	.. X X X ..				
5798.	Summary of remaining write-ins for Line 57 from overflow page	.....	.. X X X ..	.. X X X ..				
5799.	TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above)	.....	.. X X X ..	.. X X X ..				

(a) Insert the number of yes responses except for Canada and Other Alien.



# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

All insurer members of a Holding Company Group that has acquired and/or disposed of any domestic insurer (s) since filing the last annual or quarterly statement shall prepare a common schedule for inclusion in each of the individual quarterly statements

## PART 1 - ORGANIZATIONAL CHART

Health Plan of Michigan, Inc. (MI; NAIC # 52563; Federal Employer Identification # 38-3253977)

Organization Governance and Ownership Structure:  
Equity Shareholders  
Board of Directors

Shareholders at June 30,2002:  
D. Cotton, M.D. 84.4%  
S. Berry, M.D. 10.4%  
T. Lauzon 5.2%  
100%

Health Management, Inc. (common ownership with Health Plan of Michigan, Inc. majority stockholder)  
(Federal Employer Identification # 38-3360283

Shareholders at June 30, 2002:  
D. Cotton, M.D. 100%

**SUPPLEMENTAL EXHIBITS AND SCHEDULES  
INTERROGATORIES**

**RESPONSES**

1. Will the SVO Compliance Certification be filed with this statement?

Yes

Explanation:

Bar Code:

**OVERFLOW PAGE FOR WRITE-INS**

**SCHEDULE A - PART 2**  
**Showing all Real Estate ACQUIRED During the Current Quarter**

1  Description of Property	Location		4	5	6	7	8	9
	2	3						
	City	State						
			Date Acquired	Name of Vendor	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Expended for Additions and Permanent Improvements
<b>Aquired by Purchase</b>								
Leashold Improvements .....	Southfield .....	MI .....	05/02/2002	Aureus Properties .....				4,659
Leashold Improvements .....	Southfield .....	MI .....	05/31/2002	SER Communications Inc .....				40,000
Leashold Improvements .....	Southfield .....	MI .....	06/24/2002	Aureus Properties .....				15,000
0199999 Subtotal - Aquired by Purchase .....								59,659
9999999 Totals .....								59,659

**SCHEDULE A - PART 3**  
**Showing all Real Estate SOLD during the Quarter, including Payments during the Final Year on "Sales under Contract"**

E01

1  Description of Property	Location		4  Disposal Date	5  Name of Purchaser	6  Actual Cost	7  Increase (Decrease) by Adjustment	8  Increase (Decrease) by Foreign Exchange Adjustment	9  Expended for Additions, Permanent Improvements and Changes in Encumbrances	10  Book/Adjusted Carrying Value Less Encumbrances	11  Amounts Received	12  Foreign Exchange Profit (Loss) on Sale	13  Realized Profit (Loss) on Sale	14  Total Profit (Loss) on Sale	15  Gross Income Earned Less Interest Incurred on Encumbrances	16  Taxes, Repairs and Expenses Incurred
	2  City	3  State													
					N O N E										
9999999 Totals .....															

E02	Schedule B Part 1.....	NONE
E02	Schedule B Part 2.....	NONE
E03	Schedule BA Part 1.....	NONE
E03	Schedule BA Part 2.....	NONE
E04	Schedule D Part 3.....	NONE
E05	Schedule D Part 4.....	NONE
E06	Schedule DB Part A Section 1.....	NONE
E06	Schedule DB Part B Section 1.....	NONE
E07	Schedule DB Part C Section 1.....	NONE
E07	Schedule DB Part D Section 1.....	NONE

**SCHEDULE E - PART 1 - CASH**

1			2	3	4	Book Balance at End of Each Month During Current Quarter			8
Depository			Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	5	6	7	
						First Month	Second Month	Third Month	*
<b>open depositories</b>									
Comerica Bank, Grosse Pte. Woods, MI .....	Cash Concentration Accounts .....			51,195		12,663,618	13,112,827	13,241,032	
Comerica Bank, Grosse Pte. Woods, MI .....	Non Negotiable Cert. of Dep. ....		3.850	4,348		113,367			
Comerica Bank, Grosse Pte. Woods, MI .....	Business Indexed Money Market Account .....					904,909	1,024,294	1,025,940	
				4,825					
0199998 Deposits in ..... depositories which do not exceed the allowable limit in any one depository (See Instructions) - open depositories ....			X X X						
0199999 Totals - Open Depositories .....			X X X	60,368		13,681,895	14,137,121	14,266,972	
0299998 Deposits in ..... depositories which do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories .....			X X X						
0299999 Totals - Suspended Depositories .....			X X X						
0399999 Total Cash On Deposit .....			X X X	60,368		13,681,895	14,137,121	14,266,972	
0499999 Cash in Company's Office .....			X X X	X X X	X X X	125	125	125	
0599999 Total Cash .....			X X X	60,368		13,682,020	14,137,246	14,267,097	

**INDEX TO HEALTH  
QUARTERLY STATEMENT**

Assets .....	02
Cash (Sch. E – Part 1) .....	E08
Cash Flow .....	06
Ceded Reinsurance (Sch. S) .....	18
Claims Payable (Reported and Unreported) .....	08
Exhibit of Premiums, Enrollment and Utilization .....	07
General Interrogatories .....	11
Jurat .....	01
Liabilities, Capital and Surplus .....	03
Notes to Financial Statements .....	10
Overflow Page for Write-ins .....	22
Premiums and Other Considerations (Sch. T) .....	19
Schedules:	
Schedule A – Part 2 – Real Estate ACQUIRED	
During the Current Quarter .....	E01
Schedule A – Part 3 – Real Estate SOLD	
During the Current Quarter .....	E01
Schedule A – Verification .....	13
Schedule B – Part 1 – Mortgage Loans	
ACQUIRED During the Current Quarter .....	E02
Schedule B – Part 2 – Mortgage Loans SOLD	
During the Current Quarter .....	E02
Schedule B – Verification .....	13
Schedule BA – Part 1 – Other Long-term Invested	
Assets ACQUIRED During the Current Quarter ....	E03
Schedule BA – Part 2 – Other Long-Term Invested	
Assets SOLD During the Current Quarter .....	E03
Schedule BA – Verification .....	13
Schedule D – Part 1B – Acquisitions, Dispositions	
And Non-Trading Activity for Bonds and	
Preferred Stock by Rating Class .....	14
Schedule D – Part 3 – Long-Term Bonds and Stock	
Acquired During Current Quarter .....	E04
Schedule D – Part 4 – Long-Term Bonds and Stock	
Sold, Redeemed or Otherwise Disposed of	
During Current Quarter .....	E05
Schedule DA – Part 1 - Short-Term Investments	
Owned End of Current Quarter .....	15
Schedule DA – Part 2 - Verification .....	15
Schedule DB – Part A - Section 1 – Options, Caps,	
Floors and Insurance Futures Owned at Current	
Statement Date .....	E06
Schedule DB – Part B – Section 1 - Options, Caps,	
Floors and Insurance Futures Options Written and	
In-Force at Current Statement Date .....	E06
Schedule DB – Part C - Section 1 – Collar, Swap and	
Forwards Open at Current Statement Date .....	E07
Schedule DB – Part D – Section 1 – Futures	
Contracts and Insurance Futures Contracts at	
Current Statement Date .....	E07
Schedule DB – Part F - Section 1 – Summary of	
Replicated (Synthetic) Assets Open .....	16
Schedule DB – Part F - Section 2 – Reconciliation	
Of Replicated (Synthetic) Assets Open .....	17
Schedule E – Part 1 – Cash – Month End Balances	E08
Schedule S – Ceded Reinsurance – New	
Reinsurers Current Year to Date .....	18
Schedule T - Premiums and Other Considerations	
Allocated by States and Territories .....	19
Schedule Y – Part 1 - Organization Chart .....	20
Statement of Revenue and Expenses .....	04
Statement of Revenue and Expenses (Continued) .....	05
Supplemental Exhibits and Schedules Interrogatories..	21
Title Page and Jurat .....	01
Underwriting and Investment Exhibit .....	09
Verifications	
Schedule A – Verification .....	13
Schedule B – Verification .....	13
Schedule BA – Verification .....	13
Schedule DA – Verification .....	15